

Grimes Joseph

Form 3

December 21, 2007

FORM 3**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB
Number: 3235-0104Expires: January 31,
2005Estimated average
burden hours per
response... 0.5**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF
SECURITIES**Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting
Person *Â Grimes Joseph
(Last) (First) (Middle)2. Date of Event Requiring
Statement(Month/Day/Year)
04/05/20063. Issuer Name **and** Ticker or Trading Symbol
XSUNX INC [XSNX]4. Relationship of Reporting
Person(s) to Issuer5. If Amendment, Date Original
Filed(Month/Day/Year)

65 ENTERPRISE

(Street)

(Check all applicable)

____ Director ____ 10% Owner
__X__ Officer ____ Other
(give title below) (specify below)
COO6. Individual or Joint/Group
Filing(Check Applicable Line)
__X__ Form filed by One Reporting
Person
____ Form filed by More than One
Reporting Person

ALISO VIEJO,Â CAÂ 92656

(City) (State) (Zip)

Table I - Non-Derivative Securities Beneficially Owned1. Title of Security
(Instr. 4)2. Amount of Securities
Beneficially Owned
(Instr. 4)3. Ownership
Form:
Direct (D)
or Indirect
(I)
(Instr. 5)4. Nature of Indirect Beneficial
Ownership
(Instr. 5)Reminder: Report on a separate line for each class of securities beneficially
owned directly or indirectly.

SEC 1473 (7-02)

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form displays a
currently valid OMB control number.****Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**1. Title of Derivative Security
(Instr. 4)2. Date Exercisable and
Expiration Date
(Month/Day/Year)Date Expiration
Exercisable Date3. Title and Amount of
Securities Underlying
Derivative Security
(Instr. 4)Title Amount or
Number of
Shares4. Conversion
or Exercise
Price of
Derivative
Security5. Ownership
Form of
Derivative
Security:
Direct (D)
or Indirect
(I)
(Instr. 5)6. Nature of Indirect
Beneficial
Ownership
(Instr. 5)

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Warrants	07/20/2006	04/05/2011	Common	112,000	\$ 1.69	D	Â
Warrants	Â ⁽¹⁾	07/20/2011	Common	500,000	\$ 0.51	D	Â
Options	Â ⁽²⁾	01/26/2012	Common	500,000	\$ 0.46	D	Â
Options	Â ⁽³⁾	10/23/2012	Common	500,000	\$ 0.36	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Grimes Joseph 65 ENTERPRISE ALISO VIEJO,Â CAÂ 92656	Â	Â	Â COO	Â

Signatures

/s/ Joseph
Grimes 12/21/2007

__Signature of
Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Employment Incentive Warrants -- Granted 7/20/06, expires 4/20/11 -- 500,000 warrants -- exercise price of \$.51 per share. The warrants vest under the following provisions: (a) The Warrant became exercisable at the rate of 28,000 shares per month up to and through the first nine months of employment of Optionee by Company commencing July 20, 2006. (b) One Hundred Thousand (100,000) shares became exercisable upon the completion and delivery of a marketing plan by Optionee to the Board of Directors. (c) One Hundred Forty Eight Thousand (148,000) shares shall become exercisable upon the first sale or licensure of an XSUNX, Inc. technology under the marketing plan.

(2) Employment Incentive Options -- Granted 1/26/07, expires 1/26/12 -- 500,000 options -- exercise price of \$.46 per share. The options vest under the following provisions: (a) The Option became exercisable in the amount of 50,000 shares upon the First Vesting Date of April 1, 2007. Thereafter, the Option shall vest and become exercisable at the rate of 50,000 Shares per calendar quarter up to a total of 400,000 shares. (b) The Option shall become exercisable in the amount of 50,000 shares for each of the first two sales/licensure of an XsunX system.

(3) Employment Incentive Option -- Granted 10/23/07, expires 10/23/12 -- 500,000 options -- exercise price per share of \$0.36. The options vest in conjunction with a performance milestone based vesting schedule as described below: (a) 100,000 shares upon the assembly and commissioning of a base line production system. (b) 100,000 shares upon the production of a commercial size working sample of the Company's planned tandem junction amorphous silicon solar module. (c) 300,000 shares upon the assembly and commissioning of the initial 25 mega watt production system as contemplated within the Company's phased build out plan for a solar module manufacturing facility.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.

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